

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
FILED
Western District of Washington
at Sea

OCT - 7 2010

MARK L. HATCH,
OF THE BANKRUPTCY COURT

IN THE UNITED STATES BANKRUPTCY COURT
OF THE WESTERN DISTRICT OF WASHINGTON

Electric Vehicle Components, LLC

and

Electric Vehicle Components, Inc.

Debtors.

NO. 10-18150
10-18151

MEMORANDUM:
Dismissal

COMES NOW the creditors, ROY MANN and twenty-two other customers, by and through their attorney, KEN VALZ, and file the following Memorandum in support of their request that the court dismiss these Bankruptcy Petitions.

BACKGROUND

Electric Vehicle Components, LLC was created on April 21, 2009 by James Morrison and David Kois. Electric Vehicle Components, LLC (EVC, LLC) did business at a warehouse in Thurston County. The address for EVC was 5709 Lacey Blvd. SE, Unit 205, Lacey, Washington. The registered agent for the LLC is Unisearch, Inc. located at 1780 Barnes Blvd., Tumwater, Thurston County, Washington.

Dismissal Memorandum- I

VALZ, HOUSER, KOGUT & BARNES, P.S.
Attorneys at Law
Westbill Office Park II, Bldg. 15
1800 Cooper Point Rd. SW
Olympia, Washington 98502
Telephone: (360) 754-8028
Fax: (360) 357-2844

1 During it's existence, EVC, LLC primarily sold electric car batteries, ordered from
2 China, to customers throughout the US and Europe. During 2009 and 2010, EVC, LLC
3 advertised using the internet soliciting orders for it's Lacey headquarters.

4 James Morrison handled all financial affairs for EVC, LLC and was the only
5 person authorized to write checks and purchase orders for EVC, LLC. Kois primarily
6 directed daily business operations.

7 Starting in late 2009, Kois became suspicious of Morrison's business practices.
8 Morrison had taken customer money out of the EVC, LLC bank accounts and began to
9 deposit these sums into Morrison's personal accounts. At the same time, Morrison hired
10 Patricia Mary Valdez aka Patricia Mary Rosa aka Patricia Mary Rose (DOB 6/2/62) to
11 assist him in handling the finances of EVC, LLC. Kois investigated Rosa and discovered
12 that Rosa had prior theft convictions and a pending felony theft warrant in Pierce County.

13 During early 2010, Kois learned that while EVC, LLC was accepting money from
14 customers for battery orders, none of the orders were being filled. Customers began to
15 contact the EVC business demanding their orders or a return of monies paid to EVC.

16 During March, 2010, Kois, and fellow EVC, LLC employees Mike Wilmon and
17 Travis Travelstead confronted Morrison about his business practices. Morrison refused to
18 respond and Kois, Wilmon, Travelstead became uncomfortable about their business
19 operations with Morrison. Kois also discovered that Morrison had begun to transfer more
20 EVC, LLC funds to Morrison's personal accounts in Issaquah, Washington. For his own
21 protection, Kois began to electronically copy Morrison's EVC bank records and
22 transactions.

23 Dismissal Memorandum- 2

24 **VALZ, Houser, Kogut & Barnes, P.S.**
25 *Attorneys at Law*
Westbill Office Park II, Bldg. 15
1800 Cooper Point Rd. SW
Olympia, Washington 98502
Teleph: (360) 754-8028
Fax: (360) 357-2844

1
2 On April 6, 2010, due to business tensions, EVC, LLC was dissolved. However,
3 the EVC physical assets and batteries remained at the Lacey, Washington warehouse.
4

5 On April 6, 2010, Morrison created EVC, Inc. EVC, Inc. continued to solicit
6 orders from customers and continued to advertise using the same EVC, LLC website.
7 Again, after customers paid EVC money, Morrison continued to move the money paid by
8 the customers to his personal accounts and no orders were filled.

9 On April 21, 2010, Morrison transferred \$ 118,000.00 of money collected from
10 customers from the EVC bank account to his own personal bank account.
11

12 More angry customers began to file complaints with EVC and also with the
13 Washington Attorney General and the Lacey Police Department.

14 During late April and early May, 2010, Morrison moved all EVC physical assets to
15 two Issaquah, Washington warehouses. The value of these assets are estimated at
16 \$200,000.00 and the assets are mostly batteries. After moving the batteries, Morrison
17 began to sell the customers' orders to other individuals over the internet. During May,
18 2010, Morrison obtained over \$ 30,000.00 by selling these same batteries twice.

20 During June, 2010, twenty-three EVC customers filed a Consumer Protection Act
21 lawsuit against Morrison and EVC requesting a return of approximately \$150,000.00 paid
22 to Morrison during the period November 1, 2009 to May 15, 2010. On July 2, 2010, the
23 Thurston County Superior Court entered restraining orders preventing Morrison from
24 making any further sales of the customers's orders and EVC assets.
25

Dismissal Memorandum- 3

VALZ, HOUSER, KOGUT & BARNES, P.S.
Attorneys at Law
Westbill Office Park II, Bldg. 15
1800 Cooper Point Rd. SW
Olympia, Washington 98502
Teleph: (360) 754-8028
Fax: (360) 357-2844

1
2 To avoid the jurisdiction of the Thurston County Superior Court, on July 15, 2010,
3 Morrison filed a Bankruptcy Petition for EVC, LLC without the knowledge or agreement
4 of co owner, David Kois. A similar Bankruptcy Petition was filed for EVC, Inc. by
5 Morrison on the same date.
6

7 It is estimated that Morrison has personally received approximately \$148,000.00 of
8 internet customers' money through his scheme and artifice and retains approximately
9 \$ 200,000.00 of batteries paid for by these customers in the Issaquah warehouses. The
10 total number of victims is unknown.
11
12

13 CONCLUSION

14 None of the above financial information was contained in any of the Petitions filed
15 by Mr. Morrison. These matter should be dismissed and the EVC assets should be
16 returned to the jurisdiction of the Thurston County Superior Court.
17

18
19 SUBMITTED this 18 ^{PL} day of August, 2010.

20
21
22 KEN VALZ WSBA #12068
23 Valz, Houser, Kogut & Barnes, PS
24 Attorneys for Customer Creditors
25

Dismissal Memorandum- 4

VALZ, HOUSER, KOGUT & BARNES, P.S.
Attorneys at Law
Westbill Office Park II, Bldg. 15
1800 Cooper Point Rd. SW
Olympia, Washington 98502
Telepb: (360) 754-8028
Fax: (360) 357-2844

VALZ, HOUSER, KOGUT & BARNES, P.S.

ATTORNEYS AT LAW

Westhill Office Park II, Bldg. 15
1800 Cooper Point Rd. SW
Olympia, Washington 98502
(360) 754-8028
Fax (360) 357-2844
www.kenvalz.com

*Licensed in District of Columbia

** Licensed in Oregon

*Ken Valz
Charles H Houser III
**William P Kogut
Brian M Barnes

October 6, 2010

United States Bankruptcy Court
Clerk's Office
700 Stewart St.
Room 6301
Seattle, WA 98101

Re: Electric Vehicle Components, LLC (EVC)
Case No. 10-18150

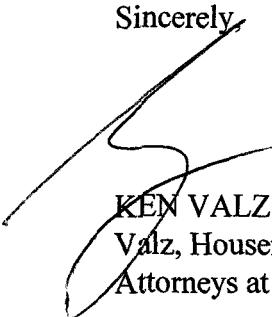
Electric Vehicle Components, Inc. (EVC)
Case No. 10-18151

Dear US Bankruptcy Court,

Enclosed please find a Motion for Dismissal to be filed in both of the above matters.

If you have any questions, please don't hesitate to call me.

Sincerely,



KEN VALZ
Valz, Houser, Kogut and Barnes, PS
Attorneys at Law

c: Richard Wotipka, Attorney for EVC
Michael McCarty, Trustee
James Rigby, Attorney for Trustee
Roy Man

KV/lcs

Enclosure